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C O N F I D E N T I A L BRIDGETOWN 000397

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DEPARTMENT FOR WHA/CAR, F, PM SOUTHCOM FOR J5/SA SOUTHCOM ALSO FOR POLAD

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TAGS: <u>ASEC MARR PGOV PINR PREL SNAR BB CU VE XL</u> SUBJECT: U.S. DISENGAGEMENT IN THE EASTERN CARIBBEAN

REF: A. 06 BRIDGETOWN 471

1B. BRIDGETOWN 214
1C. BRIDGETOWN 228

Classified By: DCM Mary Ellen T. Gilroy for reasons 1.4 (b) and (d).

11. (C) Summary: Embassy Bridgetown would like to offer the following assessment of the possible consequences of further cuts in U.S. assistance to the Eastern Caribbean. The economic realities—or more aptly—vulnerabilities of these microstates are such that further reductions in U.S. presence, especially security presence, will tie them more closely to China and Venezuela. If the United States is to protect its Third Border, it must shore up its image as a reliable partner of the Caribbean through greater engagement. End Summary.

## Background

12. (C) For decades, U.S. relations with the Eastern Caribbean have rested on the strong foundation of shared history, geographic proximity, and common commitment to democratic and free market principles. In the last decade, however, the region's countries have been buffeted by globalization, high energy prices, natural disasters, and the vulnerabilities of their tourism and agricultural sectors. In this unsettled environment, the region initially looked to the United States for assistance and leadership. However, as our conversations with government and private sector representatives make clear, the region perceives the United States as increasingly disengaged and focused—in its diplomatic and assistance efforts—on other parts of the world (ref A).

## Money Talks

13. (C) Most of the struggling microstates have therefore begun to look elsewhere for support. All continue to benefit from Cuba's medical assistance and scholarship programs. However, it is China and Venezuela that have become the region's new--and very visible--patrons. Both have lavished assistance and attention on the region in the form of new infrastructure projects, cheap fuel, and high-level visits. Grenada's national day celebrations, which included a heavy Venezuelan military component, and Venezuelan President Chavez's visit to the region in February provided only the most recent examples of the region's growing ties with Venezuela (ref B and C).

(C) While it would not be useful for the United States to try to match Venezuela and Cuba's generosity dollar for dollar, the United States should avoid undercutting its position in the region even further. The proposed elimination of the Foreign Military Financing (FMF) program for the Eastern Caribbean in FY08 would be a severe blow to our relations and security cooperation with the region. While the Eastern Caribbean's allotment of approximately USD 6 million in FMF over the last three years may not seem like much, it has been the glue that has literally kept the  $\,$ region's coast guards together and afloat. The FMF cut would spell the end of the Technical Assistance Field Team (TAFT), based in Puerto Rico. Without the TAFT assistance, the smaller islands' maritime forces would face a likely demise. The Eastern Caribbean's security posture would be further weakened, possibly leaving the U.S. Third Border exposed or providing an opening to Venezuela and/or China to fill the void. (Note: Embassy Bridgetown will report septel on TAFT's operations in the Eastern Caribbean. End Note.)

## Comment

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15. (C) Despite dwindling resources, Embassy Bridgetown has made every effort to maintain a visible U.S. presence throughout the Eastern Caribbean. However, further cuts, especially the proposed elimination of FMF for the region, may leave our relationship with the region permanently damaged. We have been at least partially successful in holding off China and Venezuela's encroachment in the economic and political spheres with the proverbial smoke and mirrors. However, such tactics are less likely to work in the context of our security engagement with the Eastern Caribbean. TAFT and other FMF programs have been a key element of our support for the region's efforts against drug, arms, and other smuggling. The region has relied on this support, just as the United States has relied on the region to help us protect our borders. The United States should look for opportunities to strengthen this partnership, not weaken it.

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